

JULY 2022

MONTHLY MONITOR



Market Update

India - *Air* and *ocean* capacity is available as market has slowed. *Ocean* rollovers have been reduced as more vessels are available. Rates for *both* modes have stabilized. The service to both US and EU sector has improved with a transit time of 4- 5 days for US and 3-4 days to EU.

Bangladesh - Due to the slowdown in China, the capacity has improved in Bangladesh, and this has resulted in rate reductions. *Air* volume expects to remain low (due to HAJJ), all the available flights operating from Bangladesh are getting narrowed. *Airlines* are giving emphasis on passengers more than cargo operation; as a result, there is an increased possibility of cargo offloading and rates fluctuations.

Sri Lanka – *Both air & ocean* capacity have reduced with several carriers reducing flights/sailings amidst the fuel crisis, which is affecting the *air & ocean carriers*. Service by air will be more focused with on-line carriers due to flight reductions, while the cheaper off-line carriers may not get the required space to uplift cargo. However, major carriers EK, QR, TK, CX, SQ continue to operate, along with the national carrier UL. *Ocean* freight space is subject to early bookings while Maersk, ZIM, MSC, CMA-CGM, COSCO, ONE, PIL, YML, HMM, HAPAG, EMC continue operations on restricted capacity. The fuel shortage still persists and has hampered movement of trucks and public transport (although priority has been given for the export industry). Delays are expected with shipments being delivered to the Ports due to further fuel shortage.

*Happy Holidays
From Around The Globe!*

| Date | Holiday | Origin |
|-----------|--------------------|---------------|
| July 4th | Independence Day | United States |
| July 11th | Hari Raya Haji | Malaysia |
| July 13th | Asalhabucha Day | Thailand |
| July 28th | King's Birthday | Thailand |
| July 30th | Islamic Year Hijra | Indonesia |
| July 31st | Awal Muharram | Malaysia |

For the 3rd consecutive year Wen-Parker Logistics has been named a Top 100 3PL by Inbound Logistics Magazine

Hong Kong – Air service is good, with no delays and capacity is readily available; rates are low/stable. Cathay Cargo has resumed schedule of 32 flights per week. Ocean space is also available. Rates for **ocean** remain relatively stable.

Shanghai – Air space is readily available; demand should gradually increase as ocean shippers reduce capacity, in an attempt to increase **ocean** rates. **Airfreight** rates are low in early July, but predicted to rise in coming months. It is expected to be a surge in volumes as production levels continue to ramp up, and companies look to meet a backlog of demand that has built up.

Shenzhen – Air capacity is readily available and rates are low; due to the cancellation of some chartered flights and increasing production, rates are expected to increase. **Ocean** capacity will be reduced by the carriers and rates will likely increase, although not significantly.

South East Asia

Cambodia - Air shipments for July will be higher than in June; however, rates will continue to decrease due to slow season and reduced cargo in the market.

Indonesia - Air rates will trend lower as July progresses due to uncertain demand. **Ocean** space will be in higher demand in July; **ocean** rates will remain stable as space and equipment do not appear to be issues currently.

Malaysia - Demand for airfreight is expected to be stable this month, but the rates are slightly higher due to Russian and Ukraine conflict, and oil and gas prices are elevated. **Ocean** space is expected to be tight with rates stable to steadily increasing.

Thailand – Airfreight demand remains soft, and the airlines have steadily decreased the rates. Demand for **ocean** freight is still strong, rates are stable.

Philippines - Rates for both modes of transport are expected to remain low and stable for July; **ocean** bookings still need to be made in advance. Delays on **ocean** are still expected from Manila ports due to congestion.

Vietnam (Ho Chi Minh) – High fuel surcharges and inflation will affect air transport; space will continue to be readily available in July. **Ocean** demand, capacity and rates will be stable.

Vietnam (Hanoi) - For both modes of transport, lack of material for manufacturing has slowed, causing capacity availability and lower rates. We expect rates for **both** modes to decrease slightly in July.

United States

The cargo handling at US **airports** and **seaports** is improved, but issues and delays continue. **Ocean** port delays are occurring more now in USEC ports due to increased vessel arrivals. USWC ports have improved, especially Los Angeles, but this is expected to change with more vessels set to arrive in July. Most USEC ports are now experiencing increased backlogs and berthing delays. Rail delays and congestion continue to be a problem affecting IPI movements and causing backups at ports. Rail labor action could occur, including a possible strike.